

MODOC COUNTY ECONOMIC FORECAST

Modoc County is located in the northeastern corner of the state, bordering both Nevada and Oregon. Approximately 90 percent of the land in the county consists of national forests and wilderness area. The county's official slogans include, "The last best place" and, "Where the West still lives."

Modoc County has a population of 9,500 people and a total of 2,500 wage and salary jobs. The per capita income is \$39,969 and the average salary per worker is \$46,099. The largest employer in the county is the government, which accounts for almost half of all wage and salary jobs.

In 2016, a total of 60 wage and salary jobs were gained in Modoc County, representing an increase of 2.4 percent. The unemployment rate improved substantially, falling from 8.8 percent in 2015 to 7.9 percent in 2016.

Over the course of the year, the largest job gains were in education and healthcare (+60 jobs), leisure services (+10 jobs), and government (+10 jobs). The largest losses were in trade, transportation, and utilities (-10 jobs), and the goods producing sector (-10 jobs).

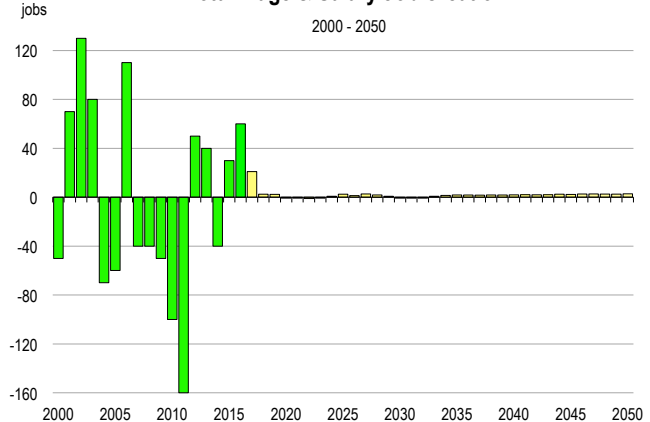
Between 2011 and 2016, the population of Modoc County declined at an annual average rate of 0.4 percent. This was entirely due to a natural decrease (deaths outnumbering births), which reduced the population by an average of 36 people per year.

Modoc County is ageing rapidly, and there are now more residents in the retirement cohort (people over age 65) than in the young professional group (people between 25 and 44). This has led to a natural decrease that has persisted for more than two decades. The forecast calls for a continuation of this trend, along with low levels of out-migration. Under these conditions, the population will continue to decline, placing the county at serious risk of economic stagnation. Job growth is expected to be very slow, and income growth will not keep pace with the statewide average.

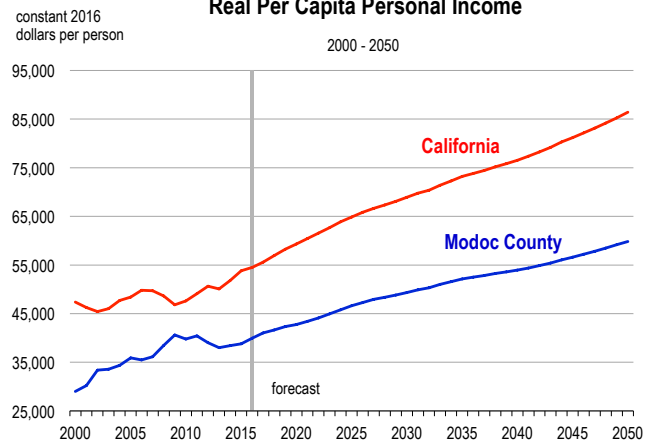
FORECAST HIGHLIGHTS

- In 2017, total wage and salary employment will increase by 0.8 percent. Over the following five years, total employment growth will be virtually flat, with the county neither gaining nor losing a significant number of jobs.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Modoc County, inflation-adjusted salaries are expected to increase by an average of 1.6 percent per year over the 2017-2022 period.
- Between 2017 and 2022, the largest employment gains will occur in the government sector and the leisure and hospitality industry. Combined, these sectors will generate approximately 10 new jobs. Small losses are expected in the trade, transportation, and utilities sector, as well as the goods producing industries.
- Over the 2017-2022 period, the population will decline by 0.4 percent per year.

Total Wage & Salary Job Creation



Real Per Capita Personal Income

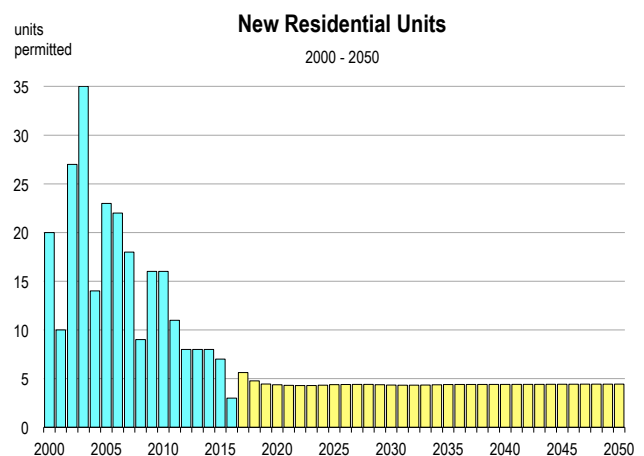
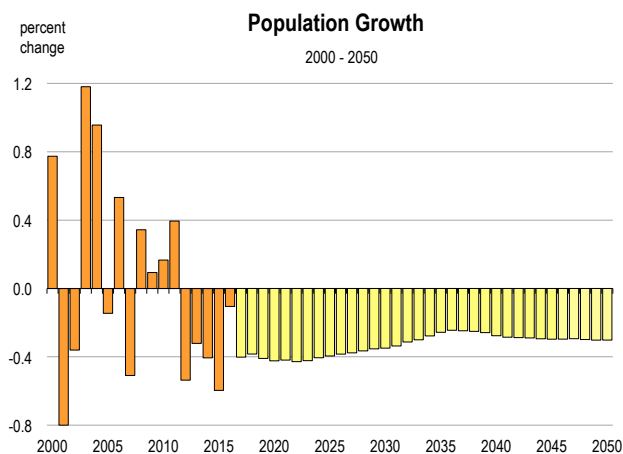


- Between 2017 and 2022, net migration will be virtually flat, with the county neither gaining nor losing a substantial number of residents through the migratory process. At the same time, the county will continue to experience a natural decrease (deaths outnumbering births), which will reduce the population by approximately 35 people per year.
- Real per capita income is expected to rise by 2.6 percent in 2017. Over the following five years, real per capita income is expected to increase at an annual average rate of 1.5 percent.
- Total taxable sales, adjusted for inflation, are expected to decline by 0.3 percent per year between 2017 and 2022.
- Industrial production will rise by 2.4 percent in 2017. Over the following five years, total industrial production will increase at an annual average rate of 0.9 percent.
- Total crop production, adjusted for inflation, is expected to increase by an average of 0.3 percent per year between 2017 and 2022.

Modoc County Economic Forecast

2010-2016 History, 2017-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (millions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	9,648	-2	13.6	4.1	16	\$79	\$341	\$39,760	1.3	128.0	30.2	15.2
2011	9,686	41	13.3	4.1	11	\$90	\$357	\$40,445	2.7	127.3	16.9	16.0
2012	9,634	0	12.9	4.1	8	\$102	\$351	\$39,016	2.7	124.0	13.7	14.4
2013	9,603	0	13.1	4.1	8	\$95	\$346	\$38,024	2.3	129.9	21.2	12.3
2014	9,564	0	13.2	4.1	8	\$92	\$354	\$38,400	2.8	128.8	22.1	10.3
2015	9,507	0	13.4	4.1	7	\$93	\$361	\$38,788	2.6	130.6	22.7	8.8
2016	9,497	0	13.6	4.1	3	\$94	\$380	\$39,969	3.0	130.6	22.6	7.9
2017	9,459	0	13.7	4.1	6	\$97	\$400	\$41,023	3.1	131.1	23.2	7.3
2018	9,423	2	13.7	4.1	5	\$100	\$415	\$41,650	3.0	131.5	23.1	7.1
2019	9,384	-1	13.8	4.1	4	\$102	\$432	\$42,327	2.6	132.0	23.1	7.0
2020	9,344	-3	13.7	4.1	4	\$105	\$447	\$42,779	3.1	132.4	23.5	7.1
2021	9,305	-5	13.7	4.1	4	\$107	\$464	\$43,406	3.0	132.7	23.8	7.2
2022	9,265	-5	13.7	4.1	4	\$110	\$483	\$44,127	3.0	133.1	24.2	7.3
2023	9,226	-5	13.7	4.1	4	\$112	\$503	\$44,942	3.0	133.5	24.8	7.5
2024	9,189	-4	13.7	4.1	4	\$115	\$523	\$45,801	2.9	133.8	25.4	7.7
2025	9,152	-4	13.7	4.1	4	\$117	\$543	\$46,631	2.9	134.1	25.9	7.7
2026	9,117	-3	13.7	4.1	4	\$119	\$561	\$47,302	2.8	134.5	26.4	7.8
2027	9,083	-3	13.7	4.1	4	\$121	\$579	\$47,934	2.9	134.8	26.9	7.8
2028	9,050	-3	13.7	4.1	4	\$124	\$596	\$48,352	2.7	135.1	27.6	7.8
2029	9,018	-3	13.7	4.1	4	\$127	\$613	\$48,823	2.5	135.4	28.2	7.8
2030	8,986	-4	13.7	4.1	4	\$129	\$631	\$49,336	2.4	135.8	28.8	7.8
2031	8,956	-4	13.7	4.1	4	\$131	\$650	\$49,893	2.3	136.1	29.5	7.8
2032	8,928	-4	13.7	4.1	4	\$134	\$668	\$50,335	2.5	136.4	30.2	7.8
2033	8,901	-4	13.7	4.1	4	\$136	\$688	\$51,000	2.1	136.8	31.0	7.8
2034	8,877	-3	13.7	4.1	4	\$139	\$709	\$51,590	2.3	137.1	31.8	7.8
2035	8,854	-3	13.7	4.1	4	\$142	\$730	\$52,157	2.4	137.5	32.6	7.8
2036	8,832	-3	13.7	4.1	4	\$145	\$752	\$52,507	2.8	137.8	33.4	7.8
2037	8,810	-3	13.7	4.1	4	\$148	\$775	\$52,820	2.9	138.2	34.2	7.8
2038	8,788	-3	13.7	4.1	4	\$152	\$799	\$53,248	2.7	138.6	35.0	7.8
2039	8,765	-2	13.7	4.1	4	\$155	\$824	\$53,578	2.9	139.0	35.9	7.8
2040	8,741	-3	13.7	4.1	4	\$159	\$849	\$53,966	2.8	139.4	36.8	7.8
2041	8,716	-3	13.7	4.1	4	\$162	\$874	\$54,391	2.6	139.8	37.7	7.8
2042	8,691	-3	13.7	4.1	4	\$165	\$899	\$54,871	2.5	140.2	38.6	7.8
2043	8,666	-2	13.7	4.2	4	\$169	\$925	\$55,410	2.4	140.6	39.6	7.8
2044	8,641	-2	13.7	4.2	4	\$171	\$952	\$56,068	2.2	141.0	40.6	7.8
2045	8,615	-2	13.7	4.2	4	\$175	\$980	\$56,616	2.4	141.4	41.6	7.8
2046	8,589	-2	13.7	4.2	4	\$178	\$1,008	\$57,227	2.3	141.9	42.6	7.8
2047	8,564	-2	13.7	4.2	4	\$181	\$1,037	\$57,848	2.3	142.3	43.7	7.8
2048	8,539	-2	13.7	4.2	4	\$185	\$1,068	\$58,493	2.3	142.8	44.8	7.8
2049	8,513	-2	13.7	4.2	4	\$188	\$1,099	\$59,160	2.3	143.2	45.9	7.8
2050	8,487	-2	13.8	4.2	4	\$192	\$1,132	\$59,852	2.3	143.7	47.1	7.8

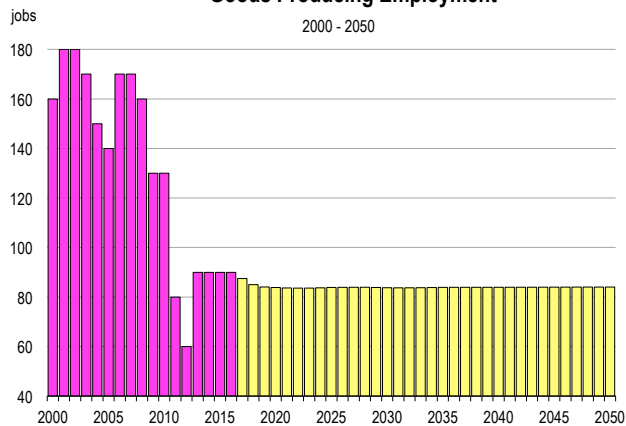


Modoc County Employment Forecast

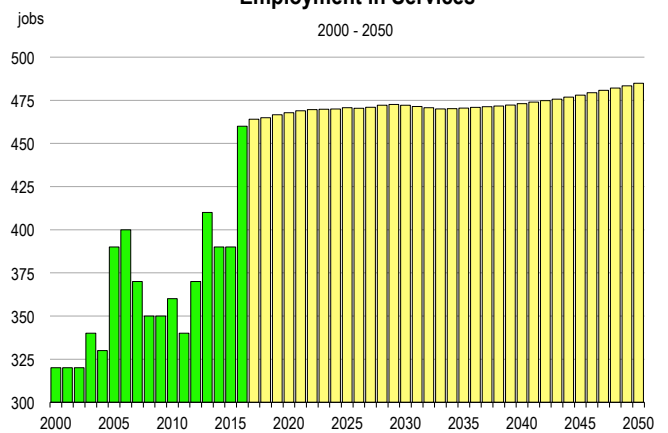
2010-2016 History, 2017-2050 Forecast

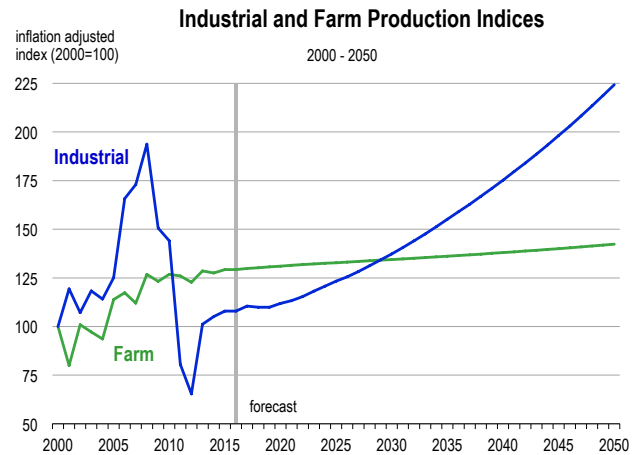
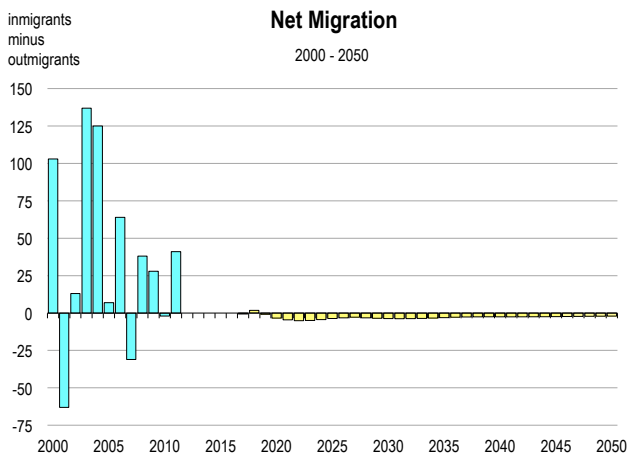
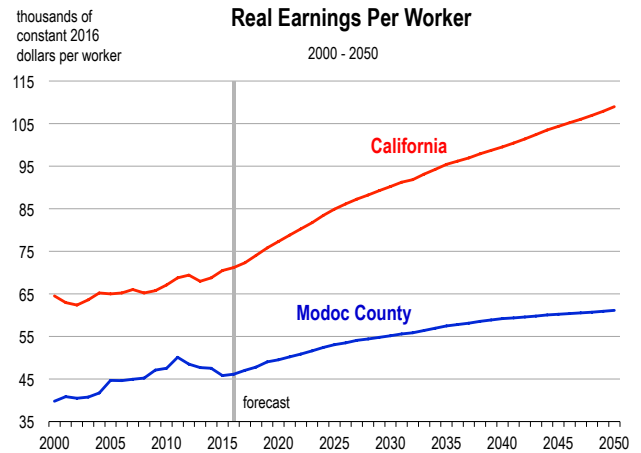
	Total Wage & Salary	Farm	Goods Producing	Trade, Transportation, and Utilities	Health & Education	Leisure	Government
	employment (thousands of jobs)						
2010	2.550	0.320	0.130	0.400	0.210	0.150	1.340
2011	2.390	0.330	0.080	0.380	0.190	0.150	1.260
2012	2.440	0.360	0.060	0.410	0.200	0.170	1.240
2013	2.480	0.390	0.090	0.400	0.250	0.160	1.190
2014	2.440	0.370	0.090	0.370	0.240	0.150	1.220
2015	2.470	0.390	0.090	0.370	0.250	0.140	1.230
2016	2.530	0.380	0.090	0.360	0.310	0.150	1.240
2017	2.551	0.386	0.087	0.359	0.314	0.150	1.255
2018	2.553	0.386	0.085	0.357	0.315	0.150	1.260
2019	2.556	0.387	0.084	0.356	0.317	0.150	1.262
2020	2.556	0.387	0.084	0.355	0.318	0.150	1.262
2021	2.555	0.387	0.084	0.353	0.319	0.150	1.262
2022	2.554	0.388	0.084	0.352	0.320	0.150	1.261
2023	2.553	0.388	0.084	0.350	0.320	0.150	1.262
2024	2.554	0.389	0.084	0.349	0.320	0.150	1.263
2025	2.557	0.389	0.084	0.348	0.321	0.150	1.265
2026	2.558	0.389	0.084	0.346	0.321	0.150	1.268
2027	2.561	0.390	0.084	0.345	0.321	0.150	1.271
2028	2.562	0.390	0.084	0.344	0.322	0.150	1.272
2029	2.563	0.390	0.084	0.343	0.323	0.150	1.274
2030	2.563	0.391	0.084	0.342	0.322	0.150	1.275
2031	2.563	0.391	0.084	0.341	0.322	0.150	1.276
2032	2.563	0.391	0.084	0.340	0.321	0.150	1.277
2033	2.563	0.392	0.084	0.339	0.320	0.150	1.278
2034	2.565	0.392	0.084	0.338	0.320	0.150	1.280
2035	2.566	0.393	0.084	0.337	0.321	0.150	1.282
2036	2.568	0.393	0.084	0.336	0.321	0.150	1.284
2037	2.570	0.393	0.084	0.335	0.321	0.150	1.286
2038	2.572	0.394	0.084	0.334	0.322	0.150	1.289
2039	2.574	0.394	0.084	0.332	0.322	0.150	1.291
2040	2.575	0.395	0.084	0.331	0.323	0.150	1.293
2041	2.577	0.395	0.084	0.330	0.324	0.150	1.295
2042	2.579	0.396	0.084	0.329	0.325	0.150	1.296
2043	2.582	0.396	0.084	0.328	0.326	0.150	1.298
2044	2.584	0.397	0.084	0.327	0.327	0.150	1.300
2045	2.586	0.397	0.084	0.326	0.328	0.150	1.302
2046	2.589	0.397	0.084	0.325	0.329	0.150	1.303
2047	2.592	0.398	0.084	0.324	0.331	0.150	1.305
2048	2.594	0.398	0.084	0.323	0.332	0.150	1.307
2049	2.597	0.399	0.084	0.322	0.333	0.150	1.308
2050	2.599	0.400	0.084	0.321	0.335	0.150	1.310

Goods Producing Employment



Employment in Services





County Economic and Demographic Indicators

Projected Economic Growth (2017-2022)

Expected retail sales growth:	-7.3%
Expected job growth:	0.1%
Fastest growing jobs sector:	Health & Education
Expected personal income growth:	5.4%

Expected population growth:	-2.1%
Net migration to account for:	N/A
Expected growth in number of vehicles:	0%

Demographics (2017)

Unemployment rate (April 2017):	7.4%
County rank* in California (58 counties):	44th
Working age (16-64) population:	58.5%

Population with B.A. degree or higher:	18.4%
Median home selling price (2016):	\$80,000
Median household income:	\$40,924

Quality of Life

Violent crime rate (2015):	715 per 100,000 persons
County rank* in California (58 counties):	54th
Average commute time to work (2017):	17 minutes

High School drop out rate (2016):	4.6%
Households at/below poverty line (2017):	13.2%

* The county ranked 1st corresponds to the lowest rate in California